

AMENDED IN ASSEMBLY APRIL 14, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2560

Introduced by Assembly Member Brownley
(Coauthor: Senator Hancock)

February 19, 2010

An act to ~~amend Section 17074.26 of~~ *add Section 12001.6 to the* Education Code, relating to ~~school facilities~~ *education finance*.

LEGISLATIVE COUNSEL'S DIGEST

AB 2560, as amended, Brownley. ~~School facilities: construction: modernization.~~ *Education finance: federal tax credit bond volume cap.*

Existing law assigns specified amounts of the state's 2009 federal tax credit bond volume cap to the State Department of Education and the California School Finance Authority, to be assigned and distributed to school districts, county offices of education, and charter schools, as specified.

This bill would authorize the department to assign and distribute the state's 2010 federal tax credit bond volume cap for qualified school construction bonds to or for the benefit of school districts and county offices of education and would authorize the authority to assign and distribute the state's 2010 federal tax credit bond volume cap for qualified school construction bonds to or for the benefit of charter schools, or to be further assigned and distributed to one or more issuers in the state for the benefit of charter schools, as determined by the authority.

~~Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts, prescribed per-unhoused-pupil state funding for construction~~

and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition. Existing law requires the board to adopt regulations to adjust the per-pupil amounts for modernization projects for school buildings that are 50 years old or older based on the higher costs associated with modernizing older buildings.

~~This bill would correct an erroneous cross-reference in the provision requiring the board to adopt regulations adjusting the grant amounts for older buildings.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) In 2009, the United States Congress passed and the President*
4 *signed into law the American Recovery and Reinvestment Act*
5 *(Public Law 111-5) in order to provide funding and other economic*
6 *stimulus to foster economic recovery among the states.*

7 *(b) The federal tax credit bond volume cap for qualified school*
8 *construction bonds is included in the federal American Recovery*
9 *and Reinvestment Act and can be used to lower the cost of*
10 *financing the construction, rehabilitation, or repair of a public*
11 *school facility or for the acquisition of land where a school will*
12 *be built.*

13 *(c) On March 17, 2010, the United States Department of the*
14 *Treasury released the second and final allocation authority of*
15 *eleven billion dollars (\$11,000,000,000) in federal tax credit bond*
16 *volume cap for qualified school construction bond, of which six*
17 *billion six hundred million dollars (\$6,600,000,000) will be*
18 *allocated directly to the states and four billion four hundred million*
19 *dollars (\$4,400,000,000) will be allocated to 103 large, local*
20 *educational agencies based upon the enrollment of pupils who*
21 *qualify for the federal free or reduced price meal program.*

22 *(d) In order to allocate the seven hundred twenty million*
23 *fifty-eight thousand dollars (\$720,058,000) in federal tax credit*
24 *bond volume cap for qualified school construction bonds provided*
25 *to California in 2010, this act is necessary to provide the authority*
26 *to the department and the California School Finance Authority to*

1 *make distributions to local educational agencies and eligible*
2 *charter schools.*

3 *SEC. 2. Section 12001.6 is added to the Education Code, to*
4 *read:*

5 *12001.6. (a) The Legislature hereby finds and declares that*
6 *the federal tax credit bond volume cap for qualified school*
7 *construction bonds designated for the state by the federal American*
8 *Recovery and Reinvestment Act of 2009 (Public Law 111-5),*
9 *together with Internal Revenue Service Notice 2010-17 issued*
10 *pursuant thereto, does not constitute federal moneys, federal funds,*
11 *or funds of any kind for any purpose under this code.*

12 *(b) The department is authorized to assign and distribute the*
13 *state's 2010 federal tax credit bond volume cap for qualified school*
14 *construction bonds to or for the benefit of school districts and*
15 *county offices of education in the state.*

16 *(c) The California School Finance Authority, established*
17 *pursuant to Section 17172, is authorized to assign and distribute*
18 *the state's 2010 federal tax credit bond volume cap for qualified*
19 *school construction bonds to or for the benefit of charter schools,*
20 *or to be further assigned and distributed to one or more issuers*
21 *in the state for the benefit of charter schools, as determined by the*
22 *authority.*

23 ~~SECTION 1. Section 17074.26 of the Education Code is~~
24 ~~amended to read:~~

25 ~~17074.26. The board shall adopt regulations to adjust the~~
26 ~~per-pupil amounts set forth in Section 17074.10 for modernization~~
27 ~~projects for school buildings that are 50 years old or older based~~
28 ~~upon the higher costs associated with modernizing older buildings.~~